

**Regional Partnership For
Decentralization and Local Governance
In the Americas**

**Quarterly Report XXIII
April - June 2004**

Prepared for The U.S. Agency for International Development
Bureau for Latin America and the Caribbean
Office of Regional and Sustainable Development

July 30, 2004

International City/County Management Association
Cooperative Agreement Award No. LAG-A-00-98-00060-00



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July 30, 2004

Ms. Maria Barron
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SUP Democracy SPCL
LAC/RSD-DHR
USAID
1300 Pennsylvania Ave, NW
RRB 5.09-073
Washington, DC 20523

Subject: Cooperative Agreement Award No. LAG-A-00-98-00060-00
Regional Partnership For Decentralization and Local Governance In the
Americas, ICMA Project No. 706.001.01 LAC

Dear Ms. Barron,

In compliance to Schedule 1.5.1, Financial Reporting, and Schedule 1.5.2, Monitoring and reporting program performance, ICMA is pleased to submit the following report for the subject cooperative agreement.

- Quarterly Report XXIII: April 1 – June 30, 2004

If you have further questions about these reports, you may direct them to the following individuals at ICMA:

- For technical matters, Antonio Iskandar (202) 962-3651
- For contractual matters, Ms. Vickie Brooks, (202) 962-3504

Sincerely,

Dennis Taylor
Cc: Anu Rajaraman, USAID
Antonio Iskandar, ICMA
Vickie Brooks, ICMA
Liezl Perez, ICMA

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Decentralization and Local Governance
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USAID Quarterly Report XXII

April 1 – June 30, 2004

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I. Introduction

ICMA administers the *Regional Partnership for Decentralization and Local Governance in the Americas project* (Cooperative Agreement LAC-A-00-98-00060-00). In September of 2003, the Forum was awarded an extension of the Cooperative Agreement through September 30, 2006 to expand its activities. In December of 2003, ICMA met with LAC/RSD representatives to review the focus and objectives of the Cooperative Agreement. A concept paper was drafted at the request of USAID to redefine the project's objectives to better focus on and benefit local government in Latin America and the Caribbean. The concept paper was reviewed and approved by USAID. A new work plan was approved in March of 2004. The new program objective is to promote best practices and share leading-edge technology to strengthen local governance and democracy in the LAC region. This revised focus falls within USAID's Strategic Objective #5 (SO5) "reinforcement of regional trends that deepen democracy in Latin America and the Caribbean" and the Intermediate Result #2 (IR2) "strengthened regional mechanisms to improve public sector legitimacy.

II. Major Accomplishments

Activities and Accomplishments this Quarter

Regional Partnership for Decentralization and Local Governance project's workplan

The workplan was revised and approved in March 2004 to meet and address the project's redefined objectives. The approved workplan focuses on three main components: capacity building, local economic development and municipal finance

During this quarter, USAID/RSD office in Washington shared the workplan with relevant missions in Central America. Comments provided by the respective missions were considered and the workplan was amended when relevant.

During this quarter, ICMA conducted discussions with counterparts to draft MOUs for the implementation of some activities under the workplan. As part of the conversations, some amendments to the workplan resulted. ICMA also reviewed the budget to adjust activities and programs to the existing project resources. Details on the discussions are provided under each component below.

A copy of the final version of the workplan is attached in Annex 2.

A Regional Assessment of the State of Decentralization in Central America

In April 2004, as part of its efforts to strengthen local governance and democracy in the region, the project completed a study on the current state of decentralization and local governance in six countries in Central America: Honduras, El Salvador, Nicaragua, Guatemala, Costa Rica, and Panama. The regional report, *Trends in Decentralization, Municipal Strengthening and Citizen Participation in Central America, 1995 – 2003*, was

commissioned by USAID to identify trends in local governance in the region. Special focus is placed on FEMICA's role and that of the national associations of municipalities in promoting the trends. The assessment is composed of six country reports and a regional comparative report. During the reporting period, the regional report was formerly published and distributed to USAID missions and donor organizations in the U.S. and overseas. A copy of the study is attached as annex to this report. Also, the six country annexes were reviewed and edited pending publication during the next quarter period.

During this quarter, ICMA started disseminating the study. First it presented the study at USAID Washington. At the end of this quarter, ICMA expected to present the study in Guatemala, Honduras, Nicaragua and El Salvador, in close coordination with Casals & Associates, during the first two weeks of July. The dissemination in the four countries in Central America was planned as part of a joint effort with Casals, FEMICA and the four associations of municipalities in each country. A report on the lessons learned and next steps will be provided during the next quarter as part of the activity.

Regional Association of Municipalities exchange

As part of an initiative promoted by ICMA during the RIAD meeting in Mexico in September 2003, the Inter-American Agency for Cooperation and Development (IACD) of the OAS organized a virtual discussion on best practices of associations of municipalities, focusing on the different factors that promote institutional and financial sustainability. As part of that forum, ICMA contributed with a presentation and online discussion that took place in mid June. The discussion gathered representatives of several associations of municipalities in the region prompting a lively discussion on what has made ICMA a sustainable municipal association. ICMA staff remains available to respond questions and participate in other presentations organized by the IACD (July 28 and others).

ICMA will continue searching for these kinds of capacity building opportunities to forge sustainable municipal associations in the region through the cooperative agreement. More specific assistance in that area is being provided through FEMICA as it is explained below.

Promoting partnerships between CSOs and Local Governments in the Region

ICMA participated and served as a member of the Partners of the Americas (POA's) Advisory Committee for the round of grants corresponding to the second quarter of 2004. The main focus of this round of grant was transparency in areas where CSOs and local government work in collaboration, as an attempt to promote a closer relationship between the two levels and better local governance. ICMA reviewed around 10 proposals as part of the committee and participated in the board meeting held during June 11 in Washington D.C. The process resulted in the award of around 10 new projects in the region.

Capacity Building: Strengthen the capacity of FEMICA

During this quarter, ICMA has engaged FEMICA to define the scope of the assistance under the cooperative agreement. As result of the conversations, ICMA is currently drafting the scope of the MOU to be signed during the last week of July. The MOU will include assistance to strengthen FEMICA to play the role of coordinator of the System of Performance Indicators in Central America (SIDEMU) and eventually a certification institution in that area. ICMA will also include in the MOU the provision of assistance to develop the institutional capacity of FEMICA to organize Municipal Fairs in the region and introduce the concept of Corporate Partners as a mechanism to promote exchanges between the public and private sector in the region. Both activities have been identified by FEMICA within its business plan and are expected to generate income to the Federation to promote financial and institutional sustainability.

It is expected that implementation of both activities will start during the next quarter.

Capacity Building: Assist the RIAD

2005 RIAD Summit: a fair on best experiences

Per the Unit for Democracy Promotion (UDP) of the OAS request, USAID RSD officers, UDP and ICMA met to analyze the UDP's request for assistance to the RIAD through this Cooperative Agreement. As a result of that meeting, USAID RSD approved the Cooperative Agreement assistance to the RIAD in the areas outline in the project's workplan.

ICMA's support to the RIAD will principally focus on assistance in the preparation of the 2005 RIAD meeting. ICMA will assist the RIAD in the preparation of a Best Practices Fair to take place during the meeting. The Fair will be based on 4 to 8 best practices tool kits in relevant areas of local government performance in the region that will be presented during the meeting to promote leading edge practices in the region, information exchange and strengthen the regional agenda for decentralization.

The objectives of this activity are as follows:

- Contribute to the strengthening of the decentralization and local development agenda of the Americas, emphasizing inter-governmental discussion on the topic.
- Analyze the best municipal practices that demonstrate the contribution at the local level to democracy in the region and can be learning tools for formulizing policy on decentralization processes.
- Promote strategies for replication of best practices.
- Strengthen the RIAD platform by developing a results oriented focus.

During this quarter, ICMA and the UDP/RIAD met several times to draft the scope of work of the activity. A draft of the scope of work is finalized pending further discussions to start implementation. ICMA hired the consultant Jorge Otero to provide a technical lead in the implementation of this activity. With information provided by ICMA, the

UDP, which is Technical Secretariat of the RIAD, promoted the activity among RIAD's members and received the organization's approval to conduct the Fair. During the next quarter ICMA will sign a MOU with the UPD/RIAD and will start implementation of activities.

Forum of Cooperation of Local Governments in LAC

In April, ICMA assisted the UPD of the OAS and FEMICA in the implementation of a new meeting of the FORUM convoked by FEMICA with the facilitation of the OAS/UPD. As Technical Secretariat of the FORUM, ICMA responded to FEMICA's request by facilitating the meeting and documenting its results. ICMA took advantage of the event and promoted a meeting with the FORUM's participating members at the end of the event.

The objective of the FORUM meeting led by FEMICA was to promote the Central America Municipal Agenda among donors based in Washington in order to gather support for future activities. FEMICA presented its action plan and business plan as instruments to channel that support. FEMICA was successful in bringing representatives of each of its members association in Central America. However, only a few donors attended the convocation. The World Bank, Inter American Bank, the OAS Inter American Development Agency and the GTZ sent one representative each.

The meeting also showed that the interest of the donors on the Forum of Cooperation of Local Governments in LAC (the FORUM) is less significant than it was during the time of its creation in 1999. The end session organized by ICMA tried to promote an exchange to identify the current interest of donors and incentives to remain in the FORUM. The main conclusion of the discussion was to leverage commitment from key donor organizations that were integral in the promotion of the FORUM in 1999, to launch the FORUM for the second time with updated objectives. Another suggestion was a rotating chair, where the Technical Secretariat would change from ICMA to another donor organization. Antonio Iskandar, Technical Secretariat, drafted a summary of the discussion and suggested some concrete actions to reach the next level. A summary of the report can be found in Annex 3.

It is important to note that although the meeting raised some interest from the donor organizations, little reaction has been provided after the meeting. The sustainability of the FORUM will rely on the interest of its members and that will be the main factor to deal with in the coming months. ICMA will provide limited resources in promoting a smooth transition of the Technical Secretariat given that donor members become more active in the continuation of the operation of the FORUM.

Capacity Building: Performance Measurement

No activity was scheduled to take place during this quarter.

Capacity Building: Training **E-Training**

Last quarter, ICMA held the *E-learning for Local Governance in Latin American Conference* at the University of Maryland University College in Adelphi, Maryland. This event was the culmination of a year long study on the potential use of information and communication technologies (ICT's) for the education of public officials at the local government level. The objective of the research study was to provide recommendations for the development of quality distance education programs in Latin America and the Caribbean. The result was a Roadmap, a series of recommendations that can be used as a tool to guide donor organizations, governments, municipal associations, academic groups and individuals involved in the improvement of administration, democratization, productivity and sustainable development practices in the municipalities. The E-learning conference brought together senior officials from multilateral organizations, civil society associations and distance education experts to review, improve and validate the results of the study. A White Paper was drafted and entitled, *Aprendizaje y Capacitación-e para la Gestión Pública, la Participación Ciudadana y el Desarrollo Sustentable en las Municipalidades de América Latina y el Caribe*. This White Paper described the research conducted and the results that were used to develop the Road Map. This document was drafted to serve as the base line for the discussions that took place during the E-learning conference.

During this reporting period, ICMA revised and finalized the White Paper, incorporating the comments and suggestions made by the conference participants. The White Paper was distributed to the conference participants in June 2004.

In addition, ICMA drafted and finalized a Conference Report to summarize the objectives, activities and the results of the conference to ensure a record was kept of the event and its proceedings. The Conference Report was edited, finalized and distributed in June 2004. A copy of the Conference Report can be found in Annex 4.

One of the results of the conference identifies the need for a manual, which was included in ICMA's workplan. ICMA reviewed a preliminary proposal for the development of the Manual on Distance Education for Public Officials. The objective of this activity is to produce a distance and e-training manual that will serve as a reference tool in the planning, design, facilitation, and evaluation of new programs. The manual will take into consideration the recommendations made in the Roadmap, as well as reflect the needs of the municipal officials. ICMA is in the process of reviewing the proposal and will start its implementation during the next quarter.

In addition, as a result of the conference, ICMA plans to transfer the data from the research and a list of distance education training programs offered to municipal officials from Latin America to the *Centro Latinoamericano de Administración para el Desarrollo* (CLAD). CLAD has established a network of both universities and public administration organizations in Latin America that will have access to ICMA's research and data. As a result, the research and data will not be lost at the conclusion of this project, but rather will be widely disseminated and shared with experts in the field of

distance education. ICMA will also work with CLAD to ensure the data is kept up-to-date and maintained. During the reporting period, ICMA worked with CLAD to ensure that the current format of the information could be transferred electronically. CLAD also provided ICMA with criteria for selecting which cases will be transferred. ICMA's consultant applied the criteria and reviewed all of the cases to ensure that they were active and current programs. ICMA will work closely with CLAD to finalize the transfer of the data. ICMA will also finalize an MOU with CLAD to continue efforts in sharing information.

CLAD is organizing and hosting the *IX International Congress of CLAD on State and Public Administration Reform* in Madrid from November 2 – 5, 2004. The Congress is organized by panels. These panels usually reflect various countries, while also dealing with the major issues currently on the public sector reform agenda, as well as any innovations underway regarding such issues. ICMA has submitted a panel proposal to the General Secretariat of CLAD in June 2004 for review by the Academic Committee. The panel proposal is entitled, *Panel Discussion on the Potential Uses of E-learning in the Training of Local Government Officials*.

The Roadmap is a tool that can be used to guide decision-making on the part of donor organizations, governments, municipal associations, academic groups and individuals involved in the improvement of administration, democratization, productivity and sustainable development practices in the municipalities. The main objective of the roadmap is to promote the improvement of public administration and citizen participation through virtual and distance training programs that effectively serve officials and citizens of local populations. Therefore, the conference allows for a great opportunity for ICMA to share and widely disseminate results of its study, *E-Learning and Training for Public Administration, Citizen Participation and Sustainable Development in Latin American and Caribbean Municipalities* to the local government community and experts.

The following include the panel members and their presentation topic.

- Virtual environments as learning and community tools for local populations. The experience of the local electronic governability course at the Virtual School of Governability. - Lasagna, Marcelo, Virtual School of Governability, Kingdom of Spain
- Local officials learning in virtual environments. A reflection from the Argentine case. - Cravacuore, Daniel, National University of Quilmas – Argentine Federation of Municipalities
- Design of a virtual program for the formation of professionals in decentralization and local-regional development. Things learned - Pressacco, Carlos F., Jesuita Alberto Hurtado University (Chile) and Maurizi, María Rosa, Jesuita Alberto Hurtado University (Chile)

- Distance and e-learning for public management, civic participation and sustainable development in municipalities in Latin America and the Caribbean. - Seidensticker, Luz Adriana, ICMA (US)

This panel consists of four programs developed by universities and organizations representing local government issues in Argentina, Chile, Spain and the U.S. The panel studies and programs reflect the recent efforts by these institutions to promote and reflect on the use of e-learning as a tool for local government and municipal officials. The panel also hopes to identify new ways to apply this tool in the development of public officials.

By July 19, the Academic Committee will have selected which panel proposals will be accepted to participate in the Congress. If accepted, the ICMA consultant, Luz Adriana Seidensticker will be presenting as a member of the panel.

Local Economic Development

No activity took place during this quarter period

Municipal Finance

No activity took place during this quarter period

III. Challenges/Remedial Actions Taken

Workplan for the Regional Partnership for Decentralization and Local Governance project

The workplan will be reviewed again this quarter to add the new activities identified in the last quarter and replace the other activities prior to the approval of the CTO. ICMA will also be reviewing the budget when taking into consideration the new activities to make adjustments.

A Regional Assessment of the State of Decentralization in Central America

The initial delays due to technical problems with a consultant pushed back the production of the Central American Assessment report and its annexes. During this reporting period, the editor and translators completed the Nicaragua and Panama country reports and continue working to finalize the other four counter reports: Guatemala, Costa Rica, El Salvador and Honduras.

Project Staff

ICMA has posted two positions, Assistant Program Manager and Senior Program Manager. ICMA has just recently hired the Assistant Program Manager to provide administrative support starting on July 19, 2004. ICMA has received resumes for the Senior Program Manager, but has not found a candidate that fits the position description. It was expected that these positions would be filled rather quickly to help start up the new activities under the workplan. The project team has forwarded the position description to

leading universities in the field of governance and democracy. However, the search for the Senior Program Manager has not been successful. The team will follow-up this quarter by contacting local universities.

IV. Projected Activities

- ICMA is expecting to hire a Senior Program Manager during this report period.
- ICMA will be working with CLAD to transfer the database information on the distance education training programs focused on municipal government officials in Latin America.
- ICMA will formerly present the Central America Study titled *Trends on Decentralization, Municipal Development and Citizen Participation in Central America from 1995-2003*” to USAID missions and international donors in July 2004.
- ICMA will complete and publish the Country Reports of the study.
- ICMA will sign MOUs with FEMICA, and the IAD, during the next quarter and start implementation of activities.
- ICMA will draft the scope of work and start implementation of a study on Mancomunidades in the region. The study is drafted under Local Economic Development in the workplan.

Annex 1: Financial Information

Annex 2: Workplan

Annex 3: FORUM Report

Annex 4: E-learning for Local Governance in Latin American Conference Report